

19 Feb 88

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. MS/DA		18 ⁹ FEB 1988
2. EXA/DDA		18 ⁹ FEB 1988
3. ADDA		18 ⁹ FEB 1988
4. DDA		18 ⁹ FEB 1988
5. DDA/Registry		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS 3d4 - - might be worth sending Compt info copy - - relevant to their (Compt) willingness to help us funnel Contel overrun (they've done it, but this will make them feel better!)

DDA - Do you agree with Diana? (✓) yes
() _____

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
	Phone No.

5041-102

★ U.S.GPO:1985-0-461-274/20011

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.208

DATE _____

TO: Deputy Director for Administration

BUILDING Hqs

REMARKS:

FROM: Director of Logistics

BUILDING

EXTENSION

(47)

CIA-RDP90M01364R000700140121-2

DDA SUBJECT FILE COPY

16 February 1988

MEMORANDUM FOR: Inspector General
VIA: Deputy Director for Administration
FROM: John M. Ray
Director of Logistics
SUBJECT: Alleged Illegal Transfer of Funds

Attached is a letter from Mr. E. A. Brown of Contel to
[redacted] of the Office of Logistics reaffirming Contel's
belief that allegations made by Messrs. Kamachaitis and Hasse
regarding the illegal transfer of funds between Contel and the
CIA are false and without factual basis.

STAT

Attachment

John M. Ray

STAT

O-DL/JMRAY:mgk, [redacted] (16FEB88)

STAT

Distribution:

- Orig - Addressee
- 1 - IG
- 2 - DDA
- 1 - OL Files
- 1 - D/L Chrono
- 1 - C/PMS/OL

1 - COMPTROLLER (3-3-88)

REGISTRY

30-1

OL 0027-88



STAT

Log-20

Contel Plaza Building
12015 Lee Jackson Highway
Fairfax, Virginia 22033-3344
703 359 7500

CONTEL Federal
Systems

January 27, 1988

Central Intelligence Agency
Washington, D.C. 20505

Attention: OL PMS

STAT

Subject: Alleged Illegal Transfers of Funds

Dear

STAT

Confirming our previous conversations, please be advised that, to the best of my knowledge and belief, the allegations made by Messrs. Kamachaitis and Hasse of the illegal transfer of funds between Contel and the CIA are false. These allegations are viewed as nothing more than statements of disgruntled ex-employees which are entirely without factual basis.

Contel's attorneys, the Baltimore firm of Semmes, Bowen & Semmes, assisted by the Washington office of Cahill, Gordon & Reindel and our inside counsel, are preparing detailed answers to these complaints. As stated previously Contel will, at the Agency's option, review our answers with you before they are filed. Indeed, we believe it to be highly desirable to arrange a meeting between Agency and Company counsel to review not only Contel's answers but areas of potential questioning in the forthcoming depositions of the plaintiffs.

I have discussed the alleged transfer of funds with various program, administrative, and management personnel both currently and previously employed by Contel. None of these individuals has provided any information that would substantiate the allegations, and all have expressed the belief that there is no truth whatsoever to these claims. I have been personally involved with the use of post office boxes for correspondence and can state unequivocally that Contel's post office boxes were used only for the receipt of United States mail. I am aware of no individual outside the employ of Contel who possessed a key to the boxes or of any case in which cash was deposited into the boxes.

Again let me state that Contel believes there is no basis in fact for the allegations. We will continue to keep you informed of our progress.

Should you have any questions or require any additional information in this matter, please do not hesitate to contact me at (703)359-0074.

Sincerely,



E. A. Brown

Director-Contracts Management